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Attorneys for HAWAII INTERCONTINENTAL CORPORATION

**IN THE UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Case No. 7:18-bk-23538-rdd

Sears Holdings Corporation, *et al.*, : Chapter 11

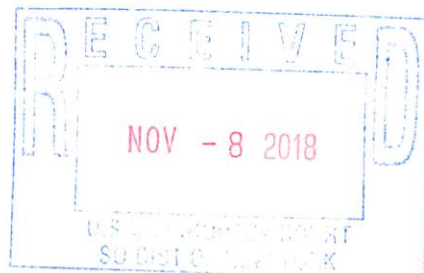
Debtors. : (Jointly Administered)

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**NOTICE OF RECLAMATION DEMAND BY
HAWAII INTERCONTINENTAL CORPORATION**

TO THE DEBTORS AND ALL INTERESTED PARTIES:

HAWAII INTERCONTINENTAL CORPORATION (“HIC”) by and through its undersigned counsel, hereby gives notice that it served a demand for reclamation of goods (the “Reclamation Demand”) pursuant to Section 546(c) of the United States Bankruptcy Code, 11 U.S.C. §101, *et seq.* on November 2, 2018.



A copy of the Reclamation Demand (without enclosures/exhibits) is attached as
Exhibit 1.

Dated: November 2, 2018

CHOI & ITO, Attorneys At Law

/s/ Allison A. Ito



Chuck C. Choi

Allison A. Ito

Counsel for HAWAII

INTERCONTINENTAL CORPORATION

EXHIBIT 1

Chuck C. Choi

Allison A. Ito

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November 2, 2018

Via E-mail and U.S Mail, First Class Postage Prepaid

Ray C. Schrock, P.C. (email: ray.schrock@weil.com)
Jaqueline Marcus (email: jacqueline.marcus@weil.com)
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue New York, NY 10153

Via U.S Mail, First Class Postage Prepaid

Robert A. Reicker
Chief Financial Officer Sears Holding, Corp.
3333 Beverly Road
Hoffman Estates, IL 60179

**Re: Sears Holding Corporation, et al., (collectively the "Debtors"), Case
No. 18-23538, Demand for Reclamation of Goods Pursuant to
Bankruptcy Code § 546(c) and U.C.C. § 2-702 on behalf of Hawaii
Intercontinental Corporation**

Dear Mr. Schrock, Ms. Marcus, and Mr. Reicker:

Our firm represents Hawaii Intercontinental Corporation ("HIC").

HIC sold certain goods (collectively, the "Prepetition Invoiced Goods") to the Debtors, including, but not limited to Kmart Corporation.

The Prepetition Invoiced Goods were sold to the Debtors on credit and received by the Debtors while they were insolvent, which insolvency is evidenced, in whole or in part, by the Debtors' filing of Petitions for Relief under Chapter 11 of the United States Code, 11 U.S.C. §101, *et seq.* (the "Bankruptcy Code") on October 15, 2018 (the "Petition Date"). The Debtors received the Prepetition Invoiced Goods, shipped by HIC, in the 45-day period preceding petition date, or between August 31, 2018, and October 15, 2018 (the "Reclamation Period"). The value of the outstanding invoices related to the Prepetition Invoiced Goods is \$65,555.84. A copy of the underlying invoices for the Prepetition Invoiced Goods is enclosed as Exhibit A.

Demand is hereby made pursuant to 11 U.S.C. § 546(c) and U.C.C. § 2-7012 (and the applicable U.C.C. provisions in the states where the bulk of the goods were delivered), for return of the Prepetition Invoiced Goods. HIC demands the immediate return of the Prepetition Goods. In the interim, HIC demands that the Debtors immediately segregate the Prepetition Invoiced Goods. Please take notice that these goods are not to be sold, used or otherwise transferred except with our written consent or by order of the court of competent jurisdiction entered upon prior notice to Niagara.

November 2, 2018

Page 2

This demand is made without prejudice to HIC'S rights to (a) seek an 11 U.S.C. § 546(b)(9) administrative claim with respect to any portion of the Prepetition Invoiced Goods that were received by the Debtors within twenty (20) days before the Petition Date, (b) assert any lien rights with respect to the Prepetition Invoiced Goods, and (c) seek an 11 U.S.C. § 546(b)(1) administrative claim with respect to any portion of the Prepetition Invoiced Goods that were received by the Debtors after the Petition Date.

If you have any questions regarding the relevant goods or invoices, please do not hesitate to contact the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Allison A. Ito', with a stylized, cursive script.

Allison A. Ito

Encls.